

APPENDIX R

Program Income

A. YOUR APPLICATION MUST INCLUDE A REPORT ON USE OF PAST CDBG PROGRAM INCOME (IF ANY)

Applicants whose communities have CDBG” Program Income” (as defined below) from **past** CDBG projects must provide current information in their application regarding their use of these funds **for the last three fiscal years**, including the following (as applicable):

- Sources of the CDBG program income, including interest earned.
- Dates and amounts of CDBG program income deposits and disbursements.
- A description of the activities funded with CDBG program income.

This information must be provided (in the applicant’s response to Criterion 5, Application Ranking Issue “H”) by completing the “Report on Use of Past Program Income” found in this appendix, page R-3.

CDBG “Program Income” is defined as: gross income that is received by either a CDBG grant recipient or sub-recipient that has been directly generated from the use of CDBG funds.

Example: Loan repayment dollars received by a CDBG grantee (city, town or county) from an LMI household that was loaned CDBG grant funds (for use in making a downpayment on a home or for use in paying for housing rehabilitation work done in their home) would be “program Income” – since the loan dollars repaid to the CDBG grantee (city, town or county) were directly generated from the use of CDBG funds (CDBG funds were loaned).

Example: When CDBG program income is generated by an activity that is only partially assisted with CDBG funds (i.e., other funds were also used to carry out the project activity), the program income shall be prorated to reflect the percentage of CDBG funds used.

For additional explanation and examples, see ***Exhibit 4-H*** of the ***CDBG Grant Administration Manual***, on-line at http://comdev.mt.gov/CDD_CDBG_GA.asp, and the ***CDBG Program Income and Revolving Loan Fund Manual***, on-line at the MDOC website at http://businessresources.mt.gov/BRD_CDBG_RLF.asp.

B. YOUR APPLICATION MUST INCLUDE A PROGRAM INCOME PLAN FOR FUTURE USE OF CDBG PROGRAM INCOME (IF ANY IS ANTICIPATED)

If applicable to the proposed CDBG project, the applicant must include in its response to Ranking Criterion 5, a plan for the future use of program income (Program Income Plan) and outline proposed long-term administrative mechanisms for the oversight of these funds.

To address federal program income requirements, MDOC has prepared a ***CDBG Program Income and Revolving Loan Fund Manual*** (reference above) for local government grantees that retain and use program income. The manual focuses on state oversight and local

government management and accountability for program income and revolving loans including submitting an annual report to MDOC. The manual is available from the MDOC/CDBG staff and is also on-line at the website referenced above.

C. ANNUAL CDBG PROGRAM INCOME REPORTS ARE REQUIRED OF GRANT RECIPIENTS, BASED ON THE APPROVED PROGRAM INCOME PLAN

Each year by federal regulation, the Montana CDBG program must request reports from local governments that have generated program income in CDBG-supported activities. Such Program Income Reports (using the form on page R-3) are due annually to CDBG and are usually due in September or October.

Program Income Plan: If a local government requests to retain program income received from its CDBG-funded housing project after project closeout, it has to complete a Program Income Plan as part of the required project closeout report (as described in Chapter 13 of the ***CDBG Grant Administration Manual***, available on-line at the CDBG website referenced above).

A Program Income Plan outlines the use of CDBG program income received in conjunction with a revolving loan fund for ongoing housing purposes to assist low and moderate-income homeowners or renters; and the program income plan may also include a goal to fund other eligible CDBG activities other than housing.

Report on Use of Past CDBG Program Income

INSTRUCTIONS:

1. If your city, town or county has neither received nor disbursed program income within the past three state fiscal years *or* has no program income on hand, check the box below, then sign and date the form at the bottom.

☐

_____ has no program income to report.

Name of City, Town, or County

2. If your city, town or county has received and/or disbursed program income, *or* has accrued program income which is available to be used, complete the form below, then sign and date the form at the bottom.

Receipts, Disbursements and Changes in Fund Balance(s) For the Last 3 State Fiscal Years Ending June 30, 2009

	Fiscal Year End 2007	Fiscal Year End 2008	Fiscal Year End 2009
(Receipts)			
Interest			
Principal accrued to date			
Other			
Total Annual Receipts			
(Disbursements)			
Loans			
Grants			
Total Annual Disbursements			
Total Outstanding Loans			
Fund Balance(s)			

Note: Please attach the following:

- A description of the sources for CDBG program income, including interest earned.
- Dates and amounts of CDBG program income deposits and disbursements.
- A description of the activities funded with CDBG program income.

Signature

Title

Date

Return this form by [for 2009: September 30, 2009] to:

Community Development Block Grant Program
Montana Department of Commerce
Box 200523
Helena, MT 59601